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THE UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

**Anthony Pompliano**, an individual,  
plaintiff,

v.

**Snap Inc., d.b.a. Snapchat**, a  
Delaware corporation; **Evan Spiegel**,  
**Brian Theisen**, **Imran Khan**, and  
Does 1 through 10, individuals,  
defendants.

Case No. 2:17-cv-3664

**Complaint for:**

1. **Violation of Dodd-Frank Whistleblower Statute [15 U.S.C. § 78u-6]**
2. **Violation of California's Whistleblower Statute [Cal. Labor Code § 1102.5]**
3. **Wrongful Termination in Violation of Public Policy**
4. **Fraudulent Inducement of Employment Contract [Cal. Labor Code § 970]**
5. **Breach of Contract**
6. **Breach of the Covenant of Good Faith and Fair Dealing**
7. **Intentional Infliction of Emotional Distress**
8. **Violation of California Labor Code § 201, et seq.**
9. **Misrepresentation Preventing Former Employee from Obtaining Employment [Cal. Labor Code § 1050]**

**Jury Trial Demanded**

**PUBLIC REDACTED VERSION**

**SUBJECT MATTER JURISDICTION AND VENUE**

1. This is an action for violation of 15 U.S.C. § 78u-6, California Labor Code §§ 201, *et seq.*, 970, 1050, *et seq.*, 1102.5, and for state law claims for wrongful termination in violation of public policy, breach of contract, breach of the covenant of good faith and fair dealing, and intentional infliction of emotional distress.

2. The Court has jurisdiction over the subject matter of these claims pursuant to 28 U.S.C. §§ 1331 and 1332, and under principles of supplemental jurisdiction pursuant to 28 U.S.C. § 1367(a).

3. Venue is proper in this judicial district pursuant to 28 U.S.C. § 1391.

**PRELIMINARY STATEMENT**

4. This action arises out of the avarice of a small group of executives at the helm of social media giant Snapchat who have been falsely representing its key performance metrics—such as user growth and engagement figures—to advertisers, the media, the public, and investors in an effort to inflate Snapchat’s valuation prior to taking the company public in its recent multi-billion-dollar initial public offering (“IPO”). Snapchat let nothing stand in its way of its IPO, including its obligations to represent material facts accurately.

5. Plaintiff Anthony Pompliano’s refusal to participate in Snapchat’s institutional pandemic of mispresenting key industry metrics to its employees, investors, trading partners, advertisers, and media, and his insistence that Snapchat comply with its obligations under federal law to disseminate to investors truthful information, led to his unlawful termination by defendant Snapchat and a smear campaign to ruin his career.

6. Driven by its fierce rivalry with Facebook—a spurned suitor turned keen competitor—Snapchat fraudulently induced Mr. Pompliano away from Facebook to run Snapchat’s new user growth and engagement team by falsely representing to him, among other things, the Company’s growth. Throughout the recruiting process,

1     Snapchat represented to Mr. Pompliano that Snapchat had been experiencing  
2     double-digit, month-over-month growth in its active user base, and that it had  
3     already acquired 100 million daily active users. Both metrics were false.

4           7.     At the outset of his remarkably short, three-week tenure at Snapchat,  
5     Mr. Pompliano learned that these representations were false and that the company  
6     used these same false metrics in representations to advertisers, the public, and to  
7     private investors when raising capital. Mr. Pompliano urged Snapchat to make  
8     corrective disclosures by reporting the issue to the highest levels of management,  
9     but he was rebuffed.

10          8.     When Mr. Pompliano alerted Drew Vollero, Snapchat's Vice President  
11     of Finance and the architect of Snapchat's planned IPO, to the falsity of Snapchat's  
12     representations, Mr. Vollero agreed that the metrics Snapchat had been using were  
13     false, and that it was imperative that they be corrected. Mr. Pompliano also informed  
14     Jill Hazelbaker, Snapchat's Vice President of Communications, that the company  
15     should stop falsely representing to advertisers and others that it had 100 million  
16     daily active users. Ms. Hazelbaker told Mr. Pompliano that she had previously asked  
17     defendant Evan Spiegel (Snapchat's CEO), to stop disseminating inaccurate metrics,  
18     and he had ignored her. Mr. Pompliano further wrote to Brian Theisen, Snapchat's  
19     then-Director of Business Operations and a former Facebook employee, and  
20     explained that the public and Snapchat's advertisers were being misled, and urged  
21     that the company's false representations be corrected. These efforts, which should  
22     have been rewarded, wound up costing Mr. Pompliano his job.

23          9.     Snapchat's leadership saw Mr. Pompliano as an impediment to their  
24     imminent IPO because he refused to turn a blind eye to Snapchat's  
25     misrepresentations. Indeed, Snapchat accurately perceived that Mr. Pompliano  
26     would "blow the whistle" (which he did, internally) should Snapchat continue to  
27     misrepresent its user metrics to the public, advertisers, prospective employees,  
28     private investors, or in connection with its upcoming IPO.

1           10. It also became quickly apparent that the real reason Snapchat hired Mr.  
2 Pompliano away from Facebook was not to build a growth team, but for the  
3 nefarious purpose of obtaining Facebook's confidential and proprietary  
4 information, and enlisting Mr. Pompliano to help identify and poach key Facebook  
5 employees, notwithstanding the fact that Snapchat knew—and Mr. Pompliano  
6 repeatedly reminded them—that doing so would violate the confidentiality and non-  
7 solicitation agreements he signed with Facebook. Snapchat nevertheless repeatedly  
8 pressured Mr. Pompliano to breach his agreements by divulging Facebook's  
9 confidential information and assisting Snapchat in soliciting Facebook employees.  
10 Mr. Pompliano's refusal drew the ire of Snapchat's senior management. In fact, his  
11 efforts to file a written record of these improper solicitations to breach his non-  
12 disclosure agreement with Facebook were met with his termination from Snap  
13 shortly thereafter.

14           11. For these reasons, just three weeks into his tenure at Snapchat, the  
15 company retaliated against Mr. Pompliano by summarily and wrongfully terminating  
16 his employment in violation of public policy. It is apparent that Snapchat's conduct  
17 was malicious because, among other things, Snapchat terminated Mr. Pompliano  
18 even though there was not one negative comment in his employment file.

19           12. Because the truth concerning Mr. Pompliano's termination was so  
20 potentially damaging to Snapchat's planned IPO, terminating him wasn't enough to  
21 ensure the public was kept in the dark. Accordingly, post-termination, Snapchat has  
22 sought to destroy his career and reputation by waging a smear campaign against Mr.  
23 Pompliano by making false representations concerning the circumstances of his  
24 termination. Even after Mr. Pompliano filed for an injunction in state court, in an  
25 effort to put an end to Snapchat's continuing disparagement of him, Snapchat  
26 continues to besmirch his good name to the media at every opportunity, even  
27 resorting to maliciously republishing inaccurate articles and social media messages  
28

1 regarding Mr. Pompliano's dispute with Snapchat through its Twitter account in an  
2 effort to further smear Mr. Pompliano.

3 13. Accordingly, Mr. Pompliano brings this lawsuit to clear his name, to  
4 bring to the public eye Snapchat's dissemination to investors of false and misleading  
5 material information, to seek protection from retaliation under state and federal  
6 whistleblower laws, and to seek redress for the harm Snapchat has done to him and  
7 his career, including damages for lost/back wages, significant harm to his  
8 professional reputation, and punitive damages based on Snapchat's intentional,  
9 wrongful, deceptive, retaliatory, and malicious conduct.

## 11 PARTIES

12 14. Mr. Pompliano is an individual who was working and residing in San  
13 Francisco, California prior to his employment with Snapchat. Mr. Pompliano was  
14 working and residing in Los Angeles, California during the time of his employment  
15 with Snapchat. Mr. Pompliano currently is a citizen of North Carolina who works  
16 and resides in North Carolina. Until the time of his wrongful termination, there  
17 existed an employer-employee relationship and actual and implied employment  
18 contracts between Mr. Pompliano and Snapchat.

19 15. Defendant Snap Inc. is a citizen of California. Defendant Snap Inc. is a  
20 Delaware corporation that has its primary place of business in the County of Los  
21 Angeles, California, and that its registered agent is Corporation Service Company,  
22 dba Lawyers Incorporating Service, whose address is 2710 Gateway Oaks Dr., Suite  
23 150N, Sacramento, California 95833.<sup>1</sup>

24 16. Defendants Evan Spiegel, Brian Theisen, and Imran Khan are citizens  
25 of California. Mr. Pompliano is further informed and believes that at all times  
26

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27 <sup>1</sup> Defendant Snap Inc. was founded in 2011. Originally named "Snapchat Inc.," the  
28 company rebranded itself as "Snap Inc." in 2016. The names "Snapchat," "Snapchat  
Inc.," and "Snap Inc." are used interchangeably in this complaint.

1 relevant herein defendants Spiegel, Theisen, and Khan were individuals working  
2 and/or residing in Los Angeles County, California, and were acting in the course  
3 and scope of their employment as agents, managers, directors, and/or employees of  
4 defendant Snap Inc.

5 17. The true names and capacities of defendants referred to herein as Does  
6 1 through 10 are unknown to Mr. Pompliano at this time and Mr. Pompliano is  
7 informed and believes that they are also partly responsible for the damages he has  
8 incurred. Mr. Pompliano will amend this complaint to allege their true names and  
9 capacities when ascertained.

10 18. Mr. Pompliano is informed and believes, and thereon alleges, that at all  
11 material times each Doe defendant's actions and conduct were known to,  
12 authorized, and ratified by Snapchat and its agents.

13 19. Mr. Pompliano is informed and believes, and thereon alleges, that all  
14 conduct by the individual defendants that was outside of the scope of their  
15 authority was known to, authorized, and ratified by the co-defendants and Snap Inc.  
16 and its agents. Mr. Pompliano is informed and believes that the individual  
17 defendants conspired together in a manner intended to harm him, to cause him  
18 emotional distress, and to deprive him of his employment and other benefits to  
19 which he was entitled under the laws of the State of California.

20 20. Mr. Pompliano is informed and thereon alleges that defendants  
21 knowingly and willfully conspired and agreed among themselves to do the acts  
22 herein alleged, and did those acts in furtherance of their conspiracy. Defendants  
23 furthered their conspiracy by cooperation, lending aid, encouragement, ratification,  
24 and adopting the acts of each other.

25 21. Mr. Pompliano is informed and believes, and thereon alleges, that  
26 defendants committed other wrongful acts or omissions of which Mr. Pompliano is  
27 presently unaware. Such acts are ongoing and will continue after the filing of this  
28 lawsuit. Mr. Pompliano expressly reserves the right to amend his complaint when he

1 discovers the other acts and omissions of such defendants and additional claims  
2 against them.

## 4 GENERAL ALLEGATIONS

### 5 Anthony Pompliano

6 22. Plaintiff Anthony Pompliano is a highly-decorated war veteran, and a  
7 leading expert in the specialized field of developing and testing growth strategies for  
8 social media Internet companies. His background amply prepared him for the  
9 significant leadership roles that he has undertaken in recent years.

10 23. Mr. Pompliano served his country for over six years in the United States  
11 Army, where he rose to the rank of Sergeant. Mr. Pompliano graduated from the  
12 Army's Warrior Leader Course as well as its Infantry Leadership School—courses  
13 that focus on leadership, decision making, strategy, and ability to execute in  
14 extremely high-stress situations. He was named Distinguished Leader Graduate and  
15 Commandant's List Graduate, respectively—awards given only to the top 1% to 2%  
16 of all graduates.

17 24. In 2008, Mr. Pompliano deployed to Iraq to fight in Operation Iraqi  
18 Freedom. During his 13-month deployment, he led his team in hundreds of combat  
19 missions, including route clearance and high-value target cordon and searches. Mr.  
20 Pompliano received numerous awards and medals for his service, including the  
21 Combat Action Badge.

22 25. Mr. Pompliano completed his bachelor's degree with a double major in  
23 economics and sociology at Bucknell University in 2011, during which time he  
24 played in Division I football.

25 26. After graduation, Mr. Pompliano went on to co-found two successful  
26 start-up companies, including a leading social intelligence company specializing in  
27 demographic and psychometric measurement. Both companies were subsequently  
28 acquired.



1           27. Leveraging his experience building successful Internet startups, in  
2 February 2014, Mr. Pompliano was recruited to join Facebook, where he led the  
3 Growth & Engagement initiatives for Facebook Pages. While at Facebook, Mr.  
4 Pompliano helped to launch numerous products, including AMBER Alerts and  
5 Voter Registration, while also advising Facebook's top executives on their social  
6 media strategy. Mr. Pompliano was well-compensated at Facebook, receiving both a  
7 generous salary and significantly appreciating stock and stock options.

### 8 9 **Key Performance Metrics in the Social Media Industry**

10           28. Virtually every social media application collects and analyzes data from  
11 the activity of user accounts in order to understand how users engage with the  
12 application. Certain user engagement metrics derived from such data have emerged  
13 as key indicators of an application's performance. Some examples of these key  
14 performance indicators ("KPIs") include an application's Daily Active Users,  
15 Monthly Active Users, User Retention Rate, Active User Growth Rate, Registration  
16 Completion Rate, Installations, Frequency, Session Length, and Average Revenue  
17 Per User.

18           29. An application's Daily Active Users ("DAUs")—the total number of  
19 users who logged in on a given day—is widely viewed as one of the most important  
20 (if not the most important) KPIs in the industry. It is used, among other things, to  
21 measure an application's growth, rate of user retention, depth of user engagement,  
22 and to help create strategies for improving such core metrics, which is critical to  
23 success. It is therefore common for social media companies such as Facebook,  
24 Twitter, Snapchat, and others, to broadcast their DAUs publicly as a way to  
25 showcase their success.

26           30. Given the importance of an application's DAUs and other KPIs, it is  
27 standard industry practice to employ sophisticated data analytics methods and  
28 testing to ensure the validity of KPIs and to develop intelligent strategic growth and



1 user engagement initiatives based on analyses of the numbers. For example,  
2 Twitter's most recent annual report filed with the Securities and Exchange  
3 Commission ("SEC") contains a section titled "Key Metrics," in which the company  
4 states: "We review a number of metrics ... to evaluate our business, measure our  
5 performance, identify trends affecting our business, formulate business plans and  
6 make strategic decisions." (Twitter, Inc., Annual Report (Form 10-K), at p. 4 (Feb.  
7 27, 2017).)

8 31. Facebook places similar importance on its "key metrics, which include  
9 our daily active users," and explains the "inherent challenges in measuring usage of  
10 our products," as well as the sophisticated methods it uses for testing such numbers.  
11 (Facebook, Inc., Annual Report (Form 10-K), at p. 3 (Jan. 29, 2015); *see also id.* at p.  
12 32.) Facebook further explains the critical importance of the accuracy of their  
13 public disclosure of their KPIs as follows:

14 If marketers, developers, or investors do not perceive our user  
15 metrics to be accurate representations of our user base, or if we  
16 discover material inaccuracies in our user metrics, our reputation  
17 may be harmed and marketers and developers may be less willing  
18 to allocate their budgets or resources to Facebook, which could  
19 negatively affect our business and financial results.

20 (*Id.* at pp. 20–21.)

21 32. KPIs are so important, in fact, that even the slightest of shifts in the  
22 numbers can carry devastating consequences. For example, in 2016, when Twitter  
23 announced that its average monthly active users (MAUs) temporarily declined from  
24 307 million to 305 million—a decrease of less than one percent—in the fourth  
25 quarter of 2015, its stock price plummeted, notwithstanding the fact that Twitter  
26 also announced a 48% increase in annual revenue. (*See Forbes, With Twitter Earnings,*  
27 *User Base Weakness, But Better Ad Engagement Drives Earnings Beat* (Feb. 11, 2016),  
28 available at <http://www.forbes.com/sites/greatspeculations/2016/02/11/with->

twitter-earnings-user-base-weakness-but-better-ad-engagement-drives-earnings-beat/#36470ff38167.) Some of the news headlines covering Twitter’s announcement are instructive:

- **“Twitter stock sinks as execs warn on user growth”**  
(CNBC (Feb. 10, 2016), *available at* <http://www.cnbc.com/2015/07/28/twitter-earnings-7-cents-per-share-vs-expected-eps-of-4-cents.html>)
- **“Twitter share price nosedives on news it is losing users”** (*The Guardian* (Feb. 10, 2016), *available at* <http://www.theguardian.com/technology/2016/feb/10/twitter-share-price-falls-losing-users>)
- **“Twitter is losing customers and its stock is falling”**  
(*CNN Money* (Feb. 10, 2016), *available at* <http://money.cnn.com/2016/02/10/technology/twitter-stock-users/index.html>)
- **“Twitter shares drop 11% on slowdown in user growth”** (*BBC* (Feb. 10, 2016), *available at* <http://www.bbc.com/news/technology-27214815>)

### **Snapchat’s Historic Failure to Employ Industry-Standard Internal Controls Concerning Its KPIs, and Its Purported Reversal of That Position When It Commits Itself to an IPO**

33. Throughout its existence, Snapchat has relied heavily on its KPIs—especially its DAUs—externally to trumpet its growth in numerous disclosures to the public, to advertisers, and to investors. Internally, however—unlike mature social media companies such as Facebook and Twitter—Snapchat is reckless as to the calculation of its KPIs and has virtually no internal controls in place to verify their accuracy.

34. To be sure, while it is widely viewed as basic common sense for social media companies to employ user growth and engagement teams to test their KPIs, evaluate their businesses, measure performance, identify trends, formulate business plans, and make strategic decisions, historically Snapchat hubristically refused to do so because Mr. Spiegel simply did not care about user engagement metrics. Unless, of course, it was in his financial interest to care: as discussed, when public- or capital-facing, Snapchat gladly trumpeted the numbers it did not care to diligence.

35. This all changed after defendants decided to shift their focus to an IPO. Defendants realized that, to be taken seriously, they needed to be perceived as a mature organization. And because mature organizations in the social media space take their KPIs seriously, by mid-2015, Snapchat made it a top priority to hire a high-level executive to create and lead a new growth team at Snapchat.

36. In the social media industry, there are only a handful of executives who possess the skill-set and experience required to design, implement, and run an effective growth and user engagement team. Mr. Pompliano is one of them. Accordingly, Snapchat began recruiting him aggressively.

**Defendants Aggressively Recruit Mr. Pompliano Away from Facebook to Lead Snapchat's New Growth Initiative by Making a Host of False Representations Concerning the Company's Growth; Believing These Misrepresentations, Mr. Pompliano Joins Snapchat**

37. Snapchat recognized that hiring Mr. Pompliano would represent a twin coup, given the demonstrated talent he would bring to Snapchat and its new growth initiative, and the loss it would represent to Snapchat's industry rival, Facebook. Snapchat's top-ranking executives thus recruited him aggressively.

38. In July 2015, Snapchat's in-house recruiter, Mary Mateus, arranged for Mr. Pompliano to meet with two of Snapchat's senior executives, Peter Sellis and Josh Siegel, telephonically. Following those meetings, Ms. Mateus informed Mr. Pompliano that Messrs. Sellis and Siegel had "loved" him, and she set up an

1 additional meeting with defendant Brian Theisen, Snapchat's Director of Business  
2 Operations and a former Facebook employee. Mr. Pompliano again received  
3 glowing feedback from Ms. Mateus.

4 39. On Sunday, August 9, 2015, Snapchat flew Mr. Pompliano to Los  
5 Angeles. The next day, Monday, August 10, 2015, he met with Snapchat's most  
6 senior executives at Snapchat's headquarters in Venice, California. Among others, he  
7 met with Snapchat's Chief Talent Officer, Simmi Singh, Snapchat's Director of  
8 Product, Nick Bell, Snapchat's Director of Operations & Strategy, Steve Hwang, and  
9 Snapchat's Chief Strategy Officer, defendant Imran Khan. Mr. Pompliano also had  
10 an in-person follow-up meeting with Mr. Theisen. All of these executives gave Mr.  
11 Pompliano a hard-sell and assured him that Snapchat was committed to  
12 implementing a robust growth strategy and that their historic refusal to do so was a  
13 thing of the past. To hammer that point home—which was particularly important  
14 for Mr. Pompliano—they all repeated the same talking point: that Snapchat had  
15 matured as an organization.

16 40. Mr. Khan gave Mr. Pompliano a particularly hard-sell. Eager to convince  
17 him to join Snapchat, Mr. Khan repeatedly trumpeted to Mr. Pompliano that  
18 Snapchat was experiencing double-digit, month-over-month growth in its DAUs,  
19 and further represented that the company was the fastest on record among social  
20 media platforms to acquire 100 million DAUs. These representations were false, and  
21 were typical for Mr. Khan, who made similar misrepresentations when he was  
22 raising capital for Snapchat in the Asian markets, including in soliciting a \$200  
23 million investment from the Chinese ecommerce giant Alibaba Group Holding Ltd.

24 41. Mr. Theisen echoed Mr. Khan's false representations concerning the  
25 growth Snapchat represented in its DAUs.

26 42. Mr. Pompliano flew back to Northern California at the end of the day.

27 43. The very next day, Tuesday, August 11, 2015, Ms. Mateus called Mr.  
28 Pompliano to inform him that Snapchat CEO Evan Spiegel would like him to fly

1 back down to Los Angeles the next day to meet with him. Mr. Pompliano explained  
2 that he had just flown down the day before, and that flying down for full day  
3 meetings twice in one week would be difficult because he would have to take an  
4 additional day off work without any notice. Ms. Mateus insisted it was urgent that he  
5 come back to meet with Mr. Spiegel. Because it was important to Mr. Pompliano to  
6 ascertain whether Mr. Spiegel was, in fact, committed to building a growth team, he  
7 agreed to fly back to Snapchat's offices the next day.

8 44. On Wednesday, August 12, 2015, Mr. Pompliano flew back to Los  
9 Angeles. In addition to his scheduled meeting with Mr. Spiegel, Snapchat scheduled  
10 a number of meetings with other Snapchat executives, who, once again, gave Mr.  
11 Pompliano a hard sell on joining Snapchat. He met again separately with both  
12 defendants Messrs. Khan and Theisen, both of whom reiterated the same false  
13 measurements as before concerning Snapchat's growth—namely that Snapchat's  
14 active user base was growing at a double-digit rate month-over-month, and had  
15 already topped 100 million active users. Mr. Pompliano also met with Snapchat's  
16 Vice President of Engineering, Tim Sehn, who told him that if he joined Snapchat,  
17 Evan Spiegel would be very generous in awarding him stock options. Mr. Pompliano  
18 also met with Snapchat's Director of Engineering, Ilya Hankeson, and again with  
19 Mr. Theisen. Finally, Mr. Pompliano met privately with Snapchat's CEO, Evan  
20 Spiegel.

21 45. Mr. Spiegel told Mr. Pompliano he liked that Mr. Pompliano had  
22 experience building Internet startups before his tenure at Facebook. Mr. Spiegel  
23 asked Mr. Pompliano if he could address any concerns he had with joining the  
24 company. Because his career hung in the balance, Mr. Pompliano inquired into Mr.  
25 Spiegel's commitment to building and supporting a growth team at Snapchat, and  
26 asked him to comment on Snapchat's failure to do so up to that point. Mr. Spiegel  
27 reiterated a talking point that Mr. Pompliano had heard from other Snapchat  
28 executives that Snapchat had matured as an organization; Mr. Spiegel confirmed that

1 Snapchat was fully committed to building a full-scale growth team around Mr.  
2 Pompliano, and asked Mr. Pompliano what he would need to build such a team. Mr.  
3 Pompliano painted a detailed picture of an organizational chart of a large-scale,  
4 fully-functioning growth team of about 40 people. Mr. Spiegel assured Mr.  
5 Pompliano that if he joined Snapchat, they would build such a team around him.

6 46. Mr. Pompliano also explained his approach to growth-oriented testing,  
7 which involves creating and trying out several different tools or methods for  
8 attracting new users with several different user populations, and then comparing the  
9 respective success rates of each tool or method (familiarily known as “A/B testing”).  
10 Mr. Spiegel said his number one priority was growing Snapchat’s user base and  
11 agreed that Snapchat should undertake A/B testing to identify the most effective  
12 means of doing so. Mr. Spiegel strongly urged Mr. Pompliano to join Snapchat.

13 47. The very next morning, Thursday, August 13, 2015, Mr. Khan called Mr.  
14 Pompliano; he wanted to know what Mr. Pompliano was earning at Facebook, and  
15 what it would take to convince him to leave Facebook and join Snapchat. Mr.  
16 Pompliano relayed information concerning his current salary and stock options at  
17 Facebook, and Mr. Khan replied that this information was helpful and they would  
18 be in touch shortly.

19 48. The next morning, on Friday, August 14, 2015, Mr. Theisen called Mr.  
20 Pompliano and offered him an annual salary of \$225,000 and \$3.5 million in  
21 Snapchat equity. Mr. Thieien said the offer was “massive,” “unprecedented,” and  
22 notably more generous than what most executive level employees at Snapchat  
23 received and urged him to accept it on the spot. Later that day, Mr. Pompliano  
24 counter offered for a salary of \$250,000. Ms. Mateus responded that \$240,000 was  
25 as high as Mr. Khan would go, and the parties agreed on that number, which Ms.  
26 Mateus said was the largest offer she had seen at Snapchat.

27 49. Later the same day, Friday, August 14, 2015, Ms. Mateus emailed Mr.  
28 Pompliano his formal offer letter, along with a Confidential Information and

1 Inventions Assignment Agreement, and an Arbitration Agreement, as attachments.  
2 Copies of those three documents (as subsequently executed) are attached hereto as  
3 **Exhibits A, B, and C**, respectively. The letter offered Mr. Pompliano the position  
4 of Growth Lead, with an annual salary of \$240,000, and an award of restricted  
5 stock units (“RSUs”) with an aggregate value of \$3,500,000, subject to approval by  
6 Snapchat’s Board and a four-year vesting schedule.

7 50. Both Ms. Mateus and Mr. Khan told Mr. Pompliano it was very  
8 important that he sign and return the three documents the same day and that he  
9 commence work at Snapchat the following Monday—i.e., resign his position with  
10 Facebook that day (a Friday) without giving any notice, uproot his life in Northern  
11 California, move to Los Angeles over the weekend, and start a new job on Monday,  
12 all in less than three days.

13 51. Mr. Pompliano electronically signed and returned the three documents,  
14 and agreed that he could begin work in two weeks’ time, to provide sufficient notice  
15 to his current employer, Facebook. Later, while employed at Snapchat, Mr.  
16 Pompliano received an email stating that the Board had approved and awarded to  
17 him the \$3.5 million in Snapchat RSUs described in his employment agreement.

18 52. Mr. Pompliano gave notice at Facebook the following Monday. This was  
19 a sensitive issue for Facebook, given the rivalry between the two companies and  
20 their respective founders, and Snapchat’s pattern of luring away key Facebook  
21 employees. Accordingly, Mr. Pompliano’s supervisor—the head of Facebook’s  
22 growth and engagement team who reported directly to Facebook’s CEO, Mark  
23 Zuckerberg—was disappointed about Mr. Pompliano’s departure and would not  
24 agree to meet with him. Two days after Mr. Pompliano submitted his resignation he  
25 was instructed by Facebook’s Human Resources department not to return to the  
26 premises and that his personal belongings would be cleared from his desk and  
27 mailed to him.



53. News of Mr. Pompliano joining Snapchat was leaked to a news reporter at *TechCrunch*, a popular technology blog, who wrote an article on Mr. Pompliano's departure from Facebook to lead Snapchat's growth team. There was a media frenzy over the announcement in the days that followed; the story was picked up by the *Los Angeles Times*, as well as industry news sources including *The Drum*, *Learn Bonds*, and *CampaignLive*.

54. When Mr. Pompliano joined Snapchat on August 31, 2015, however, everything changed. Behind the curtain was a very different company than the mature organization committed to building a growth team that he was sold by Snapchat's senior executives during the recruiting process.

**Mr. Pompliano Is Told by His Superiors That His Role Is Not What Was Promised, in Violation of the Express Terms of His Employment Agreement**

55. For reasons not entirely clear to Mr. Pompliano—perhaps it was the media frenzy covering Mr. Pompliano's hire, which did not occur when Mr. Theisen joined the company, or Mr. Theisen's knowledge of Mr. Pompliano's salary—Mr. Theisen sought to marginalize Mr. Pompliano's role from the get-go.

56. In particular, on Mr. Pompliano's third day at Snapchat, Mr. Theisen called Mr. Pompliano into his office (just after the *TechCrunch* article announced that Mr. Pompliano was to run Snapchat's Growth team) to admonish him, stating “you're not here to *run* the Growth Team, you're here to *work* on Growth.” This notwithstanding every Snapchat executives' representations to the contrary and Mr. Pompliano's offer letter which stated his position was “Growth Lead.”

57. Two days later, Mr. Theisen announced that he was changing the name of his own department from “Business Operations” to “Growth & Revenue,” in a transparent attempt to further marginalize Mr. Pompliano for no other reason than Mr. Theisen's insecurities.

## **Snapchat Immediately Begins to Pressure Mr. Pompliano to Violate His Confidentiality and Non-Solicit Agreements**

58. Throughout his shockingly brief, three-week tenure there, Snapchat repeatedly pressured Mr. Pompliano to divulge Facebook's confidential information in violation of contracts he signed with Facebook, about which Snapchat was well-aware, in no small part because Mr. Pompliano—a person whose standard of ethics would not bend to the significant pressure his new employer imposed on him—was placed in the tenuous position of having to remind Snapchat repeatedly.

59. Mr. Khan met with Mr. Pompliano on September 4, 2015, and demanded that he draw a detailed organizational chart of Facebook, name the key employees, and identify which ones were particularly talented and could be poached by Snapchat. Mr. Pompliano explained that his confidentiality agreements with Facebook and his confidentiality agreement with Snapchat both barred him from revealing such information, and therefore provided only publicly-available information and declined to provide further details concerning Facebook's key employees. This frustrated Mr. Khan, who viewed Mr. Pompliano's ethics as betrayal.

60. Similarly, on September 18, 2015, Mr. Pompliano was contacted by Snapchat's recruitment office, and asked if he would interview a candidate who currently worked at Facebook, with full knowledge that he was subject to a non-solicitation agreement with Facebook. In an email exchange, Mr. Pompliano declined, citing his non-compete and non-solicitation agreement with Facebook, which barred him from actively recruiting employees from his former employer. Mr. Pompliano was terminated by Snapchat within hours of this incident.

61. Remarkably, Snapchat's misconduct was in violation of its own policies, which expressly represent to employees (including to Mr. Pompliano) in employment agreements:

You are being offered employment at Snapchat because of the personal skills and experience you have, not because of any

1 confidential, proprietary, for trade-secret information of a former  
2 or current employer you may have. In your work for Snapchat, we  
3 do not want you to use or disclose any such confidential,  
4 proprietary, or trade-secret information.

5 (Ex. A at p. 2.) Mr. Pompliano learned the hard way that Snapchat's representation  
6 was patently false.

7 **Mr. Pompliano Uncovers an Institutional Pandemic of Incompetence in**  
8 **Tracking and Calculating Key Performance Metrics Snapchat Was Disclosing**  
9 **to the Public and to Investors**

10 62. On his second day, Mr. Pompliano met with his initial team members,  
11 data analysts Jie Liu and Shizhang "Ben" Wu. Mr. Pompliano knew both of them as  
12 former Facebook analysts. Messrs. Liu and Wu were happy that Mr. Pompliano had  
13 joined Snapchat because they hoped his addition meant that Snapchat would begin  
14 taking their data collection and analytics methods—or, more accurately, the lack  
15 thereof—more seriously. They explained Snapchat's institutional aversion to  
16 analyzing user data, and its utter incompetence in doing so in the off-chance  
17 Snapchat did run basic testing, resulting in data sets that were completely unreliable.  
18 For example, Snapchat ran a simple A/B test on a sign-up feature, and the test  
19 resulted in no difference between the two groups. When the analysts reviewed the  
20 results, however, they learned that there was actually an 8% difference, a statistically  
21 significant finding. They walked Mr. Pompliano through a number of similar  
22 examples of Snapchat's institutional incompetence with regard to its key data.

23 63. The bleak picture painted by the two analysts caused Mr. Pompliano to  
24 run tests to verify all of Snapchat's KPIs. As his first order of business, he sought to  
25 obtain the current metrics concerning Snapchat's DAUs and its historical active user  
26 growth rate, to establish benchmarks from which his success as the head of  
27 Snapchat's new growth team would be measured going forward.

28 64. What Mr. Pompliano learned from Messrs. Liu and Wu was shocking:  
they explained that Snapchat had no method in place to measure its DAUs that was

1 close to accurate by industry standards. Rather, Snapchat crudely relied upon two  
2 different figures being generated, using two different programs and data sets.  
3 Neither was accurate. The first method used a program called Flurry, which was  
4 based on external analytics and included in its count a variety of push notifications  
5 (i.e., messages sent by Snapchat to users, which, if opened, would count as user  
6 activity even if the user did nothing further) and led to overstated DAUs. The  
7 second method used a program called Blizzard that was based on an internal data  
8 pipeline and undercounted DAUs because it missed older users. Snapchat had no  
9 way of knowing which of the two measurements, if either, was accurate. Instead of  
10 trying to reconcile the internally competing data, and ensuring that they were relying  
11 on accurate metrics, Snapchat merely picked numbers at random that they guessed  
12 were accurate.

13 65. Upon reviewing the results from each program, Mr. Pompliano was  
14 surprised to see that even the exaggerated count generated by Flurry showed only 97  
15 million DAUs and Blizzard showed only 95 million DAUs, less than the 100 million  
16 DAUs defendants Theisen and Khan repeatedly claimed during the recruiting  
17 process Snapchat had already achieved. In fact, the figures indicated that Snapchat's  
18 inflation of DAUs went as far back as Q1 2015, when it first started touting the 100  
19 million DAU figure. Mr. Pompliano's investigation revealed that at that time, the  
20 actual DAUs were closer to 80 million. Concerned that Snapchat's management was  
21 either misinformed or completely ignorant about key user engagement metrics it  
22 was widely disseminating, Mr. Pompliano asked his team to obtain all of the  
23 available data going back to January 1, 2015, to conduct further due diligence.

24 66. The deeper Mr. Pompliano dug into the situation, the worse the  
25 emerging picture became. Mr. Pompliano applied a variety of analytical tools to  
26 rigorously measure DAUs at several points between January 1, 2015, and September  
27 1, 2015. Once again, he was shocked to learn that Snapchat's purported double-digit  
28 month-over-month DAU growth rate that Messrs. Theisen and Khan had

1 represented to him was false and grossly overstated. In fact, Snapchat's DAU growth  
2 rate was often flat, or at times ranged from 1% to 4% per quarter during that nine-  
3 month period, a far cry from double-digit month-over-month growth.

4 67. Such glaring inaccuracies deeply concerned Mr. Pompliano—not only  
5 because Snapchat's most senior executives were, at best, completely misinformed  
6 about the company's most fundamental user growth and engagement metrics—but  
7 also because, as a seasoned growth and engagement expert, he found it incredible  
8 that a social media giant like Snapchat could use such crude data collection and  
9 reporting methods. Accordingly, as any reasonable growth executive would have  
10 done, Mr. Pompliano dug even deeper. What he uncovered was a wide-spread,  
11 systemic failure in Snapchat's internal controls over its user data.

12 68. Among the additional major inaccuracies Mr. Pompliano identified was  
13 one having to do with another social media KPI: Snapchat's registration flow  
14 completion rate. That is, the percentage of users who complete the Snapchat  
15 registration process, compared to the number of users who only begin the  
16 registration process. Mr. Pompliano learned that Mr. Spiegel and others on the  
17 executive management team were representing that 87% of potential users  
18 completed the registration process, when the data showed that the number was, in  
19 fact, less than 40%.

20 69. Mr. Pompliano also determined that another KPI used by Snapchat, its  
21 user retention rate, was woefully inaccurate. The company had been representing  
22 that it was losing around 60% of its users after 7 days, resulting in a roughly 40%  
23 retention rate, when the data showed that its retention rate was, in fact, closer to  
24 20%.

25 70. It became clear to Mr. Pompliano that there were serious issues at every  
26 level of the data stack. These issues included not only the final metrics, but also  
27 serious deficiencies with how Snapchat's data tools and products were implemented,  
28 monitored, and supported.

**Mr. Pompliano Presents His Findings to Defendants, Who View the Information Only as a Threat to Snapchat's IPO, So Instead of Taking Appropriate Curative Action, They Shoot the Messenger**

71. Mr. Pompliano had seen hard copies of marketing brochures used to solicit advertisers that represented that Snapchat had over 100 million DAUs, and was therefore concerned that advertisers, investors, and others, were being misled. Accordingly, Mr. Pompliano contacted Jill Hazelbaker, Snapchat's Vice President of Communications, and informed her that the company should stop representing that it had over 100 million DAUs as this was not accurate. Ms. Hazelbaker told Mr. Pompliano that she was aware of the issue and had repeatedly raised it internally, but Snapchat ignored her.

72. Mr. Pompliano also told defendant Khan about his findings concerning Snapchat's wildly inaccurate KPIs and explained the support he would need to turn things around. Mr. Khan feigned agreement, and said he would arrange a meeting with the CEO, Mr. Spiegel, so that Mr. Pompliano could present his findings.

73. In anticipation of the meeting, Mr. Pompliano (with the assistance of Snapchat engineers, data analysts, and Mr. Theisen) began creating a PowerPoint presentation to interpret and summarize the results of his deep analytics applied to Snapchat's data, in order to give Snapchat's executive management team an accurate picture of Snapchat's true user metrics and to identify the errors he found in several of Snapchat's KPIs, including its DAUs, active user growth rate, user retention rate, and user registration completion rate.

74. Given the importance of the presentation, Mr. Pompliano was exceedingly diligent in preparing it. He circulated drafts of his presentation to a number of analysts to confirm the underlying data and obtain their input. He also solicited the input of many other Snapchat executives to ensure he received their "buy-in," including from Messrs. Theisen and Khan, to whom he sent multiple drafts of the presentation prior to the meeting. Mr. Pompliano sent the presentation to the persons who were scheduled to attend the meeting where Mr. Pompliano

would present his findings: defendants Spiegel, Theisen, and Khan. Mr. Theisen explicitly approved the final version of the presentation.

75. The first page of the presentation (which contains handwritten notes from one of the individual defendants) set the agenda:<sup>2</sup>



(Ex. D at p. 1.)

76. Plaintiff's presentation to Snapchat identified the underlying problem in clear terms: the data upon which Snapchat relied (and which it was disseminating to advertisers and investors, among others) was "unreliable and inaccurate." In the interests of preventing future harm to Snapchat, the presentation confronted Snapchat's senior management with the undeniable truth that Snapchat's own data

<sup>2</sup> The entire presentation is attached to the complaint as **Exhibit D**. Although plaintiff does not believe that the presentation is subject to the parties' confidentiality agreement, in light of the strong public interest in contents of the presentation in the context of plaintiff's whistleblower claims, Exhibit D is provisionally sealed in an abundance of caution.



1 was internally contradictory, Snapchat was missing basic measurement tools, key  
 2 positions on Snapchat's growth team were still unfilled, and that "[f]ew people ha[d]  
 3 confidence in [Snapchat's] data":

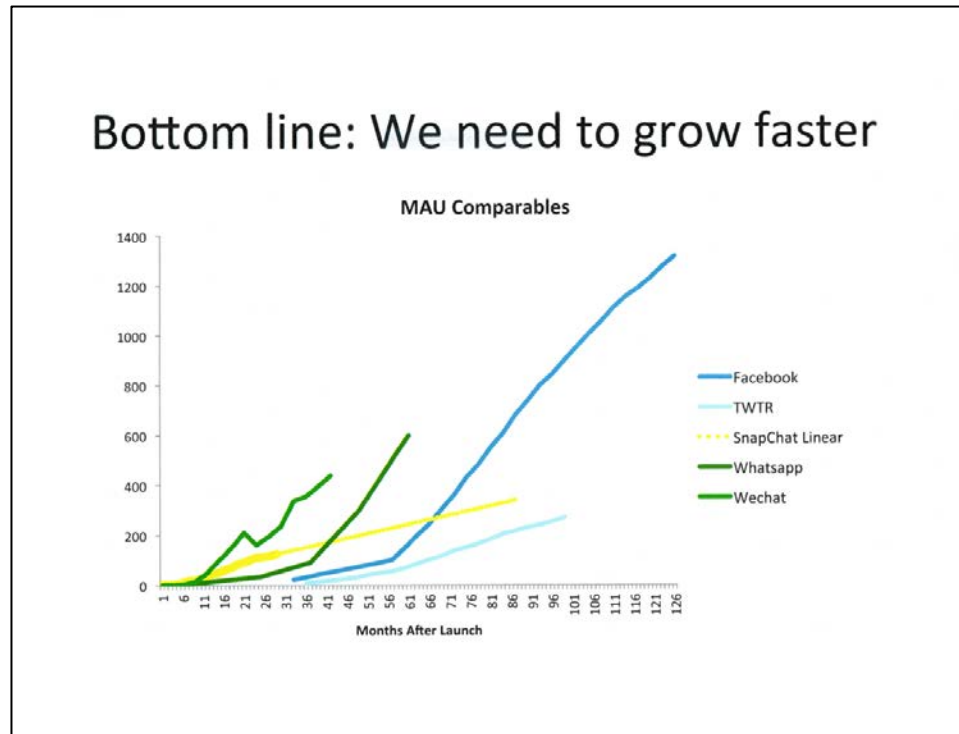
### Room for Improvement

- **Data is unreliable and inaccurate**
  - Different pipelines report different numbers
  - Few people have confidence in the data
- **Many basic tools are missing**
  - Dashboards, testing frameworks, targeting tools, etc
- **Key positions are unfilled**
  - Very few experienced growth engineers
  - No current Growth Marketers
  - Understaffed data team

18  
 19 (Ex. D at p. 4.) The absence of a dashboard to track KPIs was a particularly  
 20 egregious shortcoming to Mr. Pompliano because in his experience, even the  
 21 smallest startups in the industry would have established this capability as one of  
 22 their first steps.

23 77. And the presentation communicated to Snapchat a strategy for salvaging  
 24 the problem caused by its unreliable and inaccurate metrics, and the false  
 25 expectations that went along with disseminating those inaccuracies to the public as  
 26 if they were real. Although Snapchat executives were publicly boasting about their  
 27 growth, internally, Snapchat personnel were sounding the alarm that such growth  
 28 was unsustainable (and indeed, already slowing). In order to make good on its public

statements, Snapchat needed to dramatically accelerate its growth (the job that Mr. Pompliano had been lured away from Facebook to accomplish for Snapchat):



(Ex. D at p. 19.)

78. On September 11, 2015, Mr. Pompliano met with defendants Spiegel, Theisen, and Khan to present his findings. It was clear that defendants had no interest in hearing the information Mr. Pompliano presented. In fact, Mr. Spiegel was inexplicably enraged throughout the meeting and refused to listen to anything Mr. Pompliano said, constantly cutting him off and summarily dismissing his points. By way of example:

a. Mr. Spiegel began flipping through the presentation and skipped over its most important sections. Mr. Pompliano asked if he had read those slides, as they contained vital business intelligence and data. Mr. Spiegel responded dismissively, “Yeah, I read those; it doesn’t matter,” and further stated that Mr. Pompliano was wasting his time. Mr. Pompliano explained that he and Snapchat’s analysts had examined the data carefully, and the results were

1 accurate and not susceptible to any other interpretation. Everyone who had  
2 reviewed the presentation while it was being prepared, including Snapchat data  
3 analysts, engineers, and defendant Theisen, had signed off on its contents.  
4 Facts are facts; but defendants—especially Mr. Spiegel—stubbornly refused to  
5 hear them.

6 b. Mr. Pompliano raised the serious issue of Snapchat’s misreported  
7 DAUs. Again, Mr. Spiegel would hear nothing of it; he told Mr. Pompliano it  
8 was “no big deal” that Snapchat’s public statements that it had over 100 million  
9 DAUs were false. Mr. Pompliano disagreed, stating, “it’s actually a very big  
10 deal.”

11 c. Mr. Pompliano also identified several proven strategies to grow  
12 Snapchat’s user base that Snapchat was not utilizing. Mr. Spiegel again spurned  
13 him. For example, the data showed that Snapchat’s international user metrics  
14 were very low, even in countries with high-levels of social media engagement,  
15 such as Spain and India. When Mr. Pompliano attempted to explain that he  
16 could implement strategies to achieve significant growth for Snapchat in these  
17 major markets, Mr. Spiegel abruptly cut in and said, “This app is only for rich  
18 people. I don’t want to expand into poor countries like India and Spain.” Mr.  
19 Spiegel would not entertain any further discussion on the matter.

20 In spite of Mr. Spiegel’s hyperbolic reaction, many of Mr. Pompliano’s  
21 recommendations miraculously found their way into Snap’s 2016 S-1 SEC filing, a  
22 year and a half after his termination from the company.

23 79. Mr. Spiegel abruptly ended the meeting by instructing Messrs. Khan and  
24 Thiesen to “fix the problem” and then he stormed out of the room. On  
25 information and belief, defendants Spiegel, Khan, and Theisen subsequently met in  
26 private where they decided that Mr. Pompliano presented a risk to Snapchat’s IPO.  
27 In particular, unlike Messrs. Khan and Theisen, Mr. Pompliano was not going to be  
28 a yes-man to Mr. Spiegel when that meant turning a blind eye to the facts and

1 making false representations concerning Snapchat's growth and value. Moreover,  
2 defendants became concerned that Mr. Pompliano would "blow the whistle" on  
3 Snapchat if they did not take corrective action, which they had no intention of  
4 doing. Accordingly, Mr. Spiegel instructed Messrs. Khan and Theisen to get rid of  
5 Mr. Pompliano.

6 80. It became painfully clear at the meeting—a mere two weeks in to Mr.  
7 Pompliano's tenure at Snapchat—that Snapchat's most senior executives, in  
8 particular, defendants Spiegel, Theisen, and Khan, saw the information Mr.  
9 Pompliano brought to their attention (with the full backing of Snap's growth and  
10 data teams) only as a threat to Snapchat's imminent IPO, and they had no interest in  
11 taking any of the reasonable measures he proposed to ensure the accuracy of  
12 Snapchat's KPIs and public disclosures.

13 81. Given defendants' contumacy, during the week of September 14, 2015,  
14 Mr. Pompliano emailed Mr. Theisen, stating that Snapchat had to stop  
15 misrepresenting its user metrics, as they were misleading the public. He further  
16 stated that he had been doing this long enough to know that if Snapchat continues  
17 misrepresenting its KPIs it will come back to bite them. Mr. Theisen responded that  
18 he agreed that they needed to address this issue.

19 82. The same week, Mr. Pompliano spoke with Snapchat's Vice President of  
20 Finance and acting Chief Financial Officer, Drew Vollero. Mr. Vollero said he  
21 understood that growth was the key to Snapchat's success, in particular because it  
22 was laying the groundwork for an initial public offering, and told Mr. Pompliano  
23 that he was therefore the person responsible for their future. Mr. Vollero also told  
24 Mr. Pompliano that he understood that the metrics Snapchat had been using were  
25 wrong, and therefore their representations were inaccurate and should be corrected.

26 83. In response to Mr. Spiegel's directive at the September 11 meeting to  
27 "fix the problem," Messrs. Theisen and Khan instructed Mr. Pompliano to prepare a  
28 further PowerPoint presentation purportedly to address many specific questions

1 around “friending” data that Mr. Spiegel had asked at the September 11 meeting. As  
2 explained below, in reality, the request for a presentation was a set-up—a  
3 contrivance that allowed Snapchat to manufacture a basis to terminate Mr.  
4 Pompliano.

5 84. In response to the directive from his superiors, Mr. Pompliano (working  
6 with Snapchat’s growth and data teams) began creating a second presentation that  
7 provided a constructive critique of Snapchat’s metrics, proposed solutions to the  
8 problems, including better and more accurate ways to track and analyze available  
9 data, and addressed Mr. Spiegel’s questions concerning “friending” data. Once again,  
10 Mr. Pompliano circulated a draft of the presentation to analysts Ben Wu and Jie Liu,  
11 as well as Director of Engineering Ilya Henkesen, Mr. Theisen and Vice President  
12 of Engineering Tim Sehn, for their input. Mr. Theisen, among others, signed off on  
13 the presentation.

14 85. Mr. Pompliano emailed the final draft to Messrs. Spiegel, Theisen, and  
15 Khan, on or about September 17, 2015. Mr. Theisen sent back to Mr. Pompliano a  
16 summary of Mr. Spiegel’s criticism after Mr. Spiegel reviewed the PowerPoint  
17 presentation. Once again, it was clear that Mr. Spiegel did not take well to the data  
18 that Mr. Pompliano presented concerning Snapchat’s faulty measurement methods.  
19 In reality, Mr. Spiegel’s critique, which was crude and misguided, was done solely  
20 to manufacture a basis to terminate Mr. Pompliano. Accordingly, Mr. Pompliano  
21 responded to the critique in a document circulated to, among others, Mr. Theisen, in  
22 which he systematically dismantled Mr. Spiegel’s misguided criticism.

23 86. On September 18, 2015, defendant Theisen sent Mr. Pompliano a  
24 seemingly innocuous invitation to a meeting for the ostensible, but ultimately false,  
25 purpose of having a “growth sync” discussion with Mr. Theisen. When he arrived at  
26 the meeting, however, Snapchat’s new head of Talent and Human Resources, Stacie  
27 Thomas, was in attendance. Ms. Thomas had replaced Simmi Singh, who had been  
28 terminated only the week before.

87. As it turned out, the purpose of the meeting was far more nefarious than Mr. Theisen's seemingly innocuous email suggested. Mr. Theisen appeared highly stressed and was stumbling over his words; he began by explaining that Mr. Pompliano's "style" and "approach" were different than others at Snapchat, in particular Evan Spiegel, and then simply said, "so we are going to have to let you go." Mr. Theisen asked Mr. Pompliano if he had any questions. Shocked, Mr. Pompliano asked why he was being terminated, and Mr. Theisen, was only able to mumble that the directive came from the top, that "it was Evan."

88. Mr. Theisen left, and shortly thereafter a security guard arrived with a box with Mr. Pompliano's personal items, while his smart phone was wiped of any Snapchat accounts and data. Mr. Pompliano was then escorted from Snapchat's premises. He was terminated a mere three weeks into his tenure as a Snapchat employee for, at best, uncovering ignorance, or, at worst, revealing systematic fraud.

#### **Defendants' Efforts to Discredit Mr. Pompliano and Destroy his Career, and the Need for Immediate Injunctive Relief**

89. As a result of his abrupt and wrongful termination by Snapchat, Mr. Pompliano has been deprived of his position as Growth Lead, his annual salary of \$240,000, and his Snapchat stock, the present value of which is estimated to be in excess of \$5 million. Mr. Pompliano's wrongful termination by Snapchat has also caused serious and irreparable damage to his professional reputation in his rarefied field of work, and significant emotional distress. Mr. Pompliano's hiring based on false representations and abrupt termination by Snapchat also caused him to lose his valuable position, good reputation, salary and significant stock options at Facebook, none of which can be restored to him.

90. Simply terminating Mr. Pompliano wasn't enough for defendants, however. To ensure that the widespread incompetence and false representations that Mr. Pompliano uncovered at Snapchat did not get in the way of its IPO, defendants took preemptive measures to discredit Mr. Pompliano. In particular, defendants

1 falsely represented to Snapchat employees and to third parties, including high-  
2 ranking executives in the social media industry, that Mr. Pompliano was terminated  
3 three weeks after he was hired because he was incompetent. In reality, however, Mr.  
4 Pompliano was terminated because he refused to participate in a scheme to deceive  
5 the public and artificially inflate Snapchat's valuation in anticipation of its IPO.

6 91. For example, Mr. Pompliano was in talks with a major social media  
7 company about a filling a senior executive role with the company. The discussions  
8 had advanced considerably and Mr. Pompliano had received glowing feedback and  
9 enthusiasm about his prospective role with the company. On a near daily basis, Mr.  
10 Pompliano was communicating with a number of the company's top executives, all  
11 of whom would promptly respond to Mr. Pompliano's inquiries.

12 92. The company, however, abruptly cut off all communications with Mr.  
13 Pompliano—notwithstanding its enthusiasm about Mr. Pompliano's candidacy—  
14 soon after it contacted Snapchat to inquire into Mr. Pompliano's short tenure there.  
15 Because Snapchat would not jeopardize its IPO, defendants falsely claimed that Mr.  
16 Pompliano was terminated because he was incompetent, notwithstanding the fact  
17 that he had been employed by Snapchat for a mere three weeks and had not received  
18 a single negative review.

19 93. Defendants have made similar false representations about Mr.  
20 Pompliano to Snapchat's own employees.

21 94. These false representations have severely damaged Mr. Pompliano's  
22 reputation and career prospects. He therefore seeks an injunction preventing  
23 defendants from doing any further damage to his reputation and career during the  
24 pendency of this litigation.

25 95. Defendants have been falsely representing and continue to falsely  
26 represent to a wide-range of entities and leaders in the social media industry that it  
27 they terminated plaintiff's employment a mere three weeks after he was hired  
28 because he was not adequately performing in his position at Snapchat. Such



1 representations were false and malicious and made for the purpose of covering up  
2 Snapchat's false representations to investors and to the public.

3 **FIRST CAUSE OF ACTION**  
4 **(VIOLATION OF DODD-FRANK WHISTLEBLOWER**  
5 **STATUTE; AGAINST ALL DEFENDANTS)**

6 96. Plaintiff incorporates by reference and realleges each allegation set forth  
7 above.

8 97. 15 U.S.C. § 78u-6 ("Section 922") provides that no employer may  
9 discharge a whistleblower because of any lawful act done by the whistleblower in  
10 making disclosures that are required or protected under the Sarbanes–Oxley Act of  
11 2002 (15 U.S.C. 7201, *et seq.*), the Securities Exchange Act of 1934 (15 U.S.C. 78a, *et*  
12 *seq.*), section 1513(e) of title 18, United States Code, and any other law, rule, or  
13 regulation subject to the jurisdiction of the Securities and Exchange Commission  
14 ("SEC"). Dodd-Frank Act, § 922(a); 15 U.S.C.A. § 78u-6(h)(1)(A) (2010).

15 98. Section 922 protections apply not only to whistleblowers who make  
16 disclosures to the SEC, but also to individuals who make internal disclosures. *Somers*  
17 *v. Digital Realty Trust Inc. v. Digital Realty Trust Inc.*, 850 F.3d 1045, 1047 (9th Cir.  
18 2017).

19 99. Reporting an actual violation is not required to qualify as protected  
20 activity; a whistleblower engages in protected activity by reporting a belief of a  
21 violation that is about to occur or is in the stages of occurring. *Barrett v. e-Smart*  
22 *Technologies, Inc.*, ARB Nos. 11-088, 12-013, ALJ No. 2010-SOX-31 (ARB Apr. 25,  
23 2013); *see also Leshinsky v. Telvent GIT, S.A.*, No. 10-cv-4511, 2013 WL 1811877, at  
24 \*10 (S.D.N.Y. May 1, 2013) (finding "imminent crimes, or at least crimes in their  
25 infancy" are within the scope of protected activity because it "furtheres the purpose  
26 of Section 806 to nip corporate wrongdoing in the bud, rather than permitting a  
27 scheme to blossom into a full-fledged crime before whistleblower protections take  
28 effect").

1           100. A whistleblower is protected under these provisions if he or she  
2 possesses a reasonable belief that the information being provided relates to a  
3 possible securities law violation or a possible violation under the Sarbanes–Oxley  
4 Act that has occurred, is ongoing, or is about to occur. 17 C.F.R. § 240.21F-2(b)(i).

5           101. Section 922 incorporates 18 U.S.C. § 1513(e), which prohibits  
6 “interference with the lawful employment or livelihood of any person” who  
7 provides truthful information “to a law enforcement officer” relating to the  
8 commission of federal offenses.

9           102. Plaintiff reasonably believed that by disseminating to investors,  
10 advertisers, and others, false and misleading material information relating to  
11 Snapchat’s KPIs, and doing so in connection with Snapchat’s upcoming IPO,  
12 defendants were knowingly engaging in material misrepresentations and omissions,  
13 in connection with the sale of a security, and failing to make disclosures required by  
14 the Sarbanes–Oxley Act. Accordingly, plaintiff reasonably believed that defendants  
15 were committing possible securities law violations and disclosure and other  
16 violations covered by the Sarbanes–Oxley Act and other federal laws.

17           103. Plaintiff reported information to his superiors concerning defendants’  
18 potential violation of Section 10(b) of the Exchange Act and the Sarbanes–Oxley  
19 Act.

20           104. Plaintiff expected the information he provided to his superiors would be  
21 conveyed to Snapchat’s attorneys, who would, if the allegations were substantiated,  
22 provide the information to either the SEC or other law enforcement officials.

23           105. Consequently, plaintiff was providing information that Snap Inc. was  
24 violating Section 10(b) of the Exchange Act and the Sarbanes–Oxley Act.

25           106. Plaintiff explained defendants’ violations in detail to his superiors.

26           107. Prior to the date plaintiff was terminated from Snapchat, defendants  
27 learned that plaintiff had engaged in this protected activity.  
28

1 108. On September 18, 2015, defendants terminated plaintiff's employment  
2 with Snapchat because plaintiff had engaged in this protected activity.

3 109. As a result of defendants' violation of Section 922, plaintiff has been  
4 injured in an amount to be determined at trial but believed to be not less than \$10  
5 million.

6 **SECOND CAUSE OF ACTION**  
7 **(VIOLATION OF CALIFORNIA'S WHISTLEBLOWER**  
8 **PROTECTION STATUTE; AGAINST ALL DEFENDANTS)**

9 110. Plaintiff incorporates by reference and realleges each allegation set forth  
10 above.

11 111. Plaintiff alleges that his termination was wrongful because it was in  
12 violation of the public policy of the United States in that plaintiff's termination was  
13 in retaliation for plaintiff's opposing and reporting illegal activity, as described in  
14 preceding allegations.

15 112. Plaintiff further alleges that defendant's termination of plaintiff was in  
16 violation of the Sarbanes–Oxley Act of 2002, which makes it illegal to fire or  
17 otherwise discriminate against an employee for providing information of a violation  
18 of a rule of the Securities and Exchange Commission or any provision of federal  
19 law relating to fraud against shareholders, 18 U.S.C. § 1514A(a)(1), including when  
20 the employee provides information or assistance to someone with “supervisory  
21 authority over the employee” or with authority to “investigate, discover, or terminate  
22 misconduct,” as plaintiff did.

23 113. Plaintiff further alleges that defendants' termination of plaintiff was in  
24 violation of the public policy as expressed in California Labor Code § 1102.5  
25 prohibiting retaliation for reporting violations or potential violations of a state or  
26 federal law or regulation, or local, state or federal rule or regulation.

27 114. As a direct, foreseeable, and proximate result of defendants' wrongful  
28 termination of plaintiff in violation of the public policy of the State of California,

1 plaintiff has lost and will continue to lose income and benefits, and has suffered and  
 2 continues to suffer humiliation, embarrassment, mental and emotional distress, and  
 3 discomfort all to plaintiff's damage, in excess of \$10 million, plus benefits and stock  
 4 options, the precise amount of which will be proven at trial.

5 115. Because the acts taken against plaintiff were carried out by, condoned by,  
 6 and ratified by managerial employees or managing agents acting in a deliberate, cold,  
 7 callous, malicious, oppressive, and intentional manner in order to injure and damage  
 8 plaintiff, plaintiff requests the assessment of punitive damages against defendant in  
 9 an amount appropriate to punish and make an example of defendant.

10 **THIRD CAUSE OF ACTION**  
 11 **(WRONGFUL TERMINATION IN VIOLATION OF**  
 12 **PUBLIC POLICY; AGAINST ALL DEFENDANTS)**

13 116. Plaintiff incorporates by reference and realleges each allegation set forth  
 14 above.

15 117. Defendants terminated plaintiff's employment in violation of  
 16 fundamental public policies of the State of California, as reflected in its laws,  
 17 objectives and policies, in retaliation for identifying, reporting, and being perceived  
 18 by defendants to be threatening to report material false representations and  
 19 wrongdoings by Snapchat, Spiegel, Theisen, Khan and/or by Does 1 through 10,  
 20 and their agents, which adversely affected the public and third parties, including but  
 21 not limited to advertisers, prospective employees and, on information and belief,  
 22 private investors. Said policies are stated in the Labor Code, the California  
 23 Constitution, the common law, federal securities fraud statutes, and in other civil and  
 24 criminal statutes, including but not limited to those proscribing theft (Cal. Pen. Code  
 25 §§ 484, 487), fraud (Cal. Civ. Code §§ 1572, 1709), false advertising (Cal. Bus. &  
 26 Prof. Code § 17500, *et seq.*), and securities fraud (Section 17(a) of the Securities Act,  
 27 Section 10(b) of the Exchange Act, and Rule 10b-5). The conduct that violated said  
 28

1 policies is stated *supra* in this Complaint at Paragraphs 40 to 84, and summarized  
2 below.

3 118. After joining Snapchat, plaintiff learned that representations of  
4 defendants Theisen and Khan—including but not limited to the representations that  
5 Snapchat was experiencing double-digit month-over-month growth in its DAUs, and  
6 that the company had acquired 100 million DAUs, and was the fastest on record  
7 among social media platforms to do so—were false. Plaintiff also learned that  
8 Snapchat was falsely representing its registration flow completion rate (the  
9 percentage of persons who complete the process of registering as a Snapchat user,  
10 compared to the number of persons who begin the registration process) as being  
11 87%, when in fact the data showed that less than 40% of potential users completed  
12 the registration process. Further, plaintiff learned that the user retention rate used  
13 by Snapchat was false—that is, the company was representing that it was losing  
14 about 60% of users after 7 days, resulting in a roughly 40% retention rate, whereas  
15 in fact its retention rate was closer to 20% after 7 days.

16 119. Because some of these false representations had been made to the  
17 public, prospective employees, advertisers and, on information and belief, to  
18 investors, plaintiff repeatedly urged defendants Spiegel, Theisen, Khan, and others  
19 to cease making such false representations and affirmatively correct them.

20 120. Defendants Snap Inc. and Khan also improperly pressured plaintiff to  
21 divulge Facebook's confidential information, and to assist them in identifying and  
22 soliciting Facebook's key employees in breach of his agreements with Facebook, as  
23 described in Paragraphs 55 to 61 above, which plaintiff refused to do.

24 121. Defendants Spiegel, Theisen, and Khan perceived that plaintiff would  
25 report Snapchat's false representations to the federal securities regulators, other  
26 governmental authorities, or in some other manner expose the Company's  
27 misconduct if Snapchat continued to misrepresent its user metrics to the public,  
28 prospective employees, advertisers and private investors and failed to correct its

1 prior misrepresentations. For these reasons, and because plaintiff refused to  
2 unlawfully disclose Facebook's confidential information or solicit Facebook  
3 employees, defendants retaliated against plaintiff by summarily and wrongfully  
4 terminating his employment in violation of public policy.

5 122. As a result of their employment relationship, defendants Snap Inc.,  
6 Spiegel, Theisen, Khan, and Does 1 through 10, and their agents and employees,  
7 were obligated to refrain from discharging plaintiff for reasons which violate or  
8 circumvent the public policies and laws of the State of California and United States,  
9 or the objectives that underlie each, and not to compound their illegal conduct by  
10 retaliating against him.

11 123. As the direct and foreseeable result of the acts of defendants Snap Inc.,  
12 Spiegel, Theisen, Khan, Does 1 through 10, and their agents and employees,  
13 plaintiff lost his valuable position and income as Growth Lead, his Snapchat RSUs,  
14 and will continue to lose income in an amount to be proven at trial. Plaintiff has  
15 also incurred attorneys' fees. Plaintiff claims such amounts as damages together  
16 with pre-judgment interest pursuant to California Civil Code § 3288 and any other  
17 provision of law providing for pre-judgment interest.

18 124. As a result of the acts of defendants Snap Inc., Spiegel, Theisen, Khan,  
19 Does 1 through 10, and their agents and employees, plaintiff has become mentally  
20 and physically upset, distressed, and aggravated. Plaintiff claims general damages for  
21 such physical and emotional distress and aggravation in a sum to be proven at trial.

22 125. Because the acts taken toward plaintiff by defendants Snap Inc., Spiegel,  
23 Theisen, Khan, Does 1 through 10, and their agents and employees, were done in a  
24 deliberate, cold, callous, malicious, fraudulent and intentional manner in order to  
25 injure and damage plaintiff, defendants Snapchat, Spiegel, Theisen, Khan and Does  
26 1 through 10, and their agents and employees acted in conscious disregard of  
27 plaintiff and his rights, and such acts were oppressive and despicable. Accordingly,  
28

1 plaintiff requests an assessment of punitive damages against defendants in an  
2 amount to be proven at trial.

3 **FOURTH CAUSE OF ACTION**  
4 **(FRAUDULENT INDUCEMENT OF EMPLOYMENT**  
5 **CONTRACT; AGAINST ALL DEFENDANTS)**

6 126. Plaintiff incorporates by reference and realleges each allegation set forth  
7 above.

8 127. Plaintiff is informed and believes and thereon alleges that, at all times  
9 herein mentioned, defendants Spiegel, Theisen, Khan, and Does 1 through 10 were  
10 the agents and employees of defendant Snap Inc. and were at all times acting within  
11 the purpose and scope of such agency and employment.

12 128. Defendants Snap Inc., Spiegel, Theisen, and Khan intentionally  
13 misrepresented to plaintiff that Snapchat was experiencing double-digit month-  
14 over-month growth in its DAU count, that Snapchat had acquired over 100 million  
15 DAUs, that he would be hired and retained by Snapchat as its Growth Lead, and  
16 that Snapchat would build around him a growth team of forty persons.

17 129. All of defendants' representations set forth in Paragraph 118 above  
18 concerning the kind and character of employment offered to plaintiff were false,  
19 and defendants knew that those representations were false when they made them, or  
20 that they made the representations recklessly and without regard for their truth, in  
21 order to induce plaintiff to resign from Facebook and relocate from the Bay Area to  
22 Los Angeles to work for Snapchat.

23 130. Defendants intended that plaintiff rely on the false representations set  
24 forth in Paragraph 118.

25 131. Plaintiff reasonably relied on defendants' representations set forth in  
26 Paragraph 118 above, which were material to his decision to resign his position at  
27 Facebook, relocate from the Bay Area to Los Angeles to join Snapchat, and was  
28 harmed as a result, including by losing his lucrative and prestigious position of



1 employment with Facebook, valuable stock options awarded to him by Facebook,  
2 injury to his professional reputation, relocation expenses, and other damages to be  
3 proven at trial and doubled pursuant to Labor Code Section 972.

4 132. Defendants' false representations and plaintiff's reasonable reliance  
5 thereon were a substantial factor in causing plaintiff harm.

6 **FIFTH CAUSE OF ACTION**  
7 **(BREACH OF CONTRACT; AGAINST DEFENDANT SNAP**  
8 **INC.)**

9 133. Plaintiff incorporates by reference and realleges each allegation set forth  
10 above.

11 134. Plaintiff and defendant Snap Inc. entered into a contract whereby Snap  
12 Inc. agreed to and did hire plaintiff as Growth Lead at Snapchat at a salary of  
13 \$240,000 per year plus \$3.5 million in restricted stock units as valued in September  
14 2015 and to be vested over a period of four years of his employment at Snapchat.

15 135. Plaintiff did all of the material things that the contract required him to  
16 do, or was excused from doing those things, and the conditions required for the  
17 performance of defendants occurred.

18 136. Defendants breached plaintiff's employment agreement by urging him to  
19 violate his confidentiality and non-solicitation agreements with Facebook and  
20 retaliating against him when he refused to do so. Defendant Snap Inc. also breached  
21 plaintiff's employment agreement by demoting him from his position as Growth  
22 Lead, and wrongfully terminating his employment after less than three weeks, for  
23 improper and illegal reasons in violation of public policy. Having wrongfully  
24 terminated plaintiff's employment in violation of public policy, defendant Snap Inc.  
25 lost any right to terminate him "at any time, with or without cause or advance  
26 notice."

27 137. Plaintiff was harmed by defendants' breaches described in paragraph  
28 126 herein, and is entitled to direct and consequential damages in an amount to be

1 proven at trial, including, but not limited to, his salary of \$240,000 per year for a  
2 period of four years, and his Snapchat RSUs, the present value of which is  
3 estimated to be in excess of \$5 million, that was awarded to him pursuant to his  
4 employment contract with Snap Inc.

5 **SIXTH CAUSE OF ACTION**  
6 **(BREACH OF COVENANT OF GOOD FAITH AND FAIR**  
7 **DEALING; AGAINST DEFENDANTS SNAP INC. AND**  
8 **DOES 1 THROUGH 10)**

9 138. Plaintiff incorporates by reference and realleges each allegation set forth  
10 above.

11 139. Plaintiff is informed and believes and thereon alleges that, at all times  
12 herein mentioned, defendants Spiegel, Theisen, and Khan were the agents and  
13 employees of defendant Snap Inc. and were at all times acting within the purpose  
14 and scope of such agency and employment.

15 140. California law implies a covenant of good faith and fair dealing in all  
16 contracts between parties entered into in the State of California. Defendants at all  
17 material times had a duty to act fairly and in good faith toward plaintiff in carrying  
18 out their responsibilities under his employment agreement with Snap Inc. The  
19 implied covenant of good faith and fair dealing further constituted promises and  
20 obligations on the part of defendants that they would do nothing to injure, frustrate  
21 or interfere with the rights of plaintiff under his Snapchat employment agreement,  
22 or engage in any act or omission that was intended to or had the natural tendency to  
23 deprive plaintiff of the benefits of that bargain.

24 141. As a result of the actions of defendants Snap Inc., Spiegel, Theisen,  
25 Khan, and each of them, set forth hereinabove, defendants have breached the  
26 implied covenant of good faith and fair dealing contained in plaintiff's employment  
27 contract as against him, and as a result thereof, plaintiff is entitled to damages.  
28

1           142. The actions of defendants in wrongfully terminating plaintiff's  
2 employment for illegal and improper reasons in retaliation for his refusal to breach  
3 confidentiality agreements with his prior employer, and for his identifying false and  
4 misleading representations of Snapchat, as hereinbefore described, violated the  
5 implied covenant of good faith and fair dealing in plaintiff's employment contract.

6           143. As a direct and proximate result of defendants' bad faith, plaintiff has  
7 suffered general damages, *inter alia*, (a) in the amount of his \$240,000 annual salary  
8 for a period of four years; (b) the Snap Inc. stock awarded to him, the present value  
9 of which is estimated to be in excess of \$5 million; (c) his lost position, income, and  
10 stock options at Facebook; (d) substantial harm to his professional reputation; (e)  
11 the interest that has accumulated or will accrue on top of those amounts; (f) other  
12 damages defendants' breach of the covenant caused plaintiff to suffer in the  
13 amounts to be proven at trial.

14                           **SEVENTH CAUSE OF ACTION**  
15                   **(INTENTIONAL INFLICTION OF EMOTIONAL**  
16                   **DISTRESS; AGAINST ALL DEFENDANTS)**

17           144. Plaintiff incorporates by reference and realleges each allegation set forth  
18 above.

19           145. When defendants Snap Inc., Spiegel, Theisen, Khan, Does 1 through 10,  
20 and their agents and employees, lured plaintiff to leave his former employment with  
21 Facebook to come work for Snapchat based on false representations concerning  
22 Snapchat's growth, with the purpose to cause him to breach his confidentiality  
23 agreements with his prior employer, Facebook, and then summarily terminated his  
24 employment only weeks later for improper and illegal reasons set forth above, they  
25 did so deliberately and intentionally to cause plaintiff to suffer humiliation, mental  
26 anguish, physical harm, loss of his job and income, damage to his professional  
27 reputation and the foreseeable emotional distress that resulted, or in the alternative  
28

1 acted with reckless disregard of the probability that plaintiff would suffer such  
2 emotional distress.

3 146. The outrageousness of defendants' conduct is amplified by the abuse of  
4 their positions, which gave them actual and apparent authority over plaintiff, such as  
5 is commonly found in employment relationships. Defendants Snap Inc., Spiegel,  
6 Theisen, Khan, Does 1 through 10, and their agents and employees were aware that  
7 plaintiff was relying upon his employment at Snapchat when he resigned from  
8 Facebook. Defendants Snap Inc., Spiegel, Theisen, Khan, and Does 1 through 10,  
9 and their agents and employees were aware that abruptly and illegally terminating  
10 plaintiff's employment in the manner in which they did, and by retaliating against  
11 him, would cause plaintiff to suffer extreme emotional distress, and other  
12 consequential damages. Plaintiff alleges that defendants not only acted as individuals  
13 but conspired together so as to cause him to suffer these harms.

14 147. In acting as described above, and in abusing their positions of apparent  
15 and actual authority over plaintiff, defendants Snap Inc., Spiegel, Theisen, Khan,  
16 Does 1 through 10, and their agents and employees, abandoned their proper roles as  
17 employers and used their positions or authority to cause plaintiff to suffer  
18 emotional distress.

19 148. The above acts of defendants Snap Inc., Spiegel, Theisen, Khan, Does 1  
20 through 10, and their agents and employees, inclusive, constituted intentional  
21 infliction of emotional distress and such conduct of defendants was a substantial  
22 and determining factor in causing damage and injury to plaintiff.

23 149. As a proximate consequence of the wrongful acts against plaintiff by  
24 defendants Snap Inc., Spiegel, Theisen, Khan, Does 1 through 10, and their agents  
25 and employees, plaintiff has suffered lost earnings, emotional distress, and other  
26 general and special damages, to be proven at trial.

27 150. The actions of defendants Snap Inc., Spiegel, Theisen, Khan, Does 1  
28 through 10, and their agents and employees, were willful, reckless and exhibited a

1 conscious disregard of the rights of plaintiff. Accordingly, plaintiff is entitled to  
2 punitive damages, in an amount to be proven at trial.

3 **EIGHT CAUSE OF ACTION**  
4 **(VIOLATION OF CALIFORNIA LABOR CODE § 201, *ET***  
5 ***SEQ.*; AGAINST DEFENDANT SNAP INC.)**

6 151. Plaintiff incorporates by reference and realleges each allegation set forth  
7 above.

8 152. An employer who willfully fails to pay fully, unconditionally, and without  
9 requiring a release, any and all wages due an employee immediately upon his  
10 termination by the employer, may be assessed continuing wages as a penalty from  
11 the date the wages were due up to a maximum of 30 days. Cal. Labor Code §§ 201,  
12 203, 206.

13 153. On or about October 2, 2015, ten days after his wrongful termination,  
14 plaintiff received a check from Snapchat in the approximate amount of \$6,000,  
15 purporting to comprise his final paycheck (minus taxes) and also reflecting on the  
16 attached stub a further payment of approximately \$60,000 (pre-tax) as a severance  
17 payment.

18 154. Plaintiff did not accept the terms of severance proposed by defendant  
19 Snap Inc. or agree to the release of all claims against the company as was required as  
20 a condition of the proposed severance payment. Accordingly, plaintiff did not cash  
21 the check that was attached to a pay stub inaccurately reflecting the proposed  
22 severance payment, lest doing so be construed as acceding to the conditions and  
23 release connected to that severance payment.

24 155. Defendant Snap Inc. was required to provide plaintiff with his final  
25 paycheck unconditionally on September 22, 2015, the day he was terminated, but  
26 failed to do so. As a result of that failure, Snapchat is required by operation of  
27 California Labor Code § 201 to pay Mr. Pompliano \$30,000, comprising 30 days'  
28

1 salary (\$20,000) and his final paycheck (\$10,000), less any withholding of mandatory  
2 taxes.

3 **NINTH CAUSE OF ACTION**  
4 **(MISREPRESENTATION PREVENTING FORMER**  
5 **EMPLOYEE FROM OBTAINING EMPLOYMENT;**  
6 **AGAINST ALL DEFENDANTS)**

7 156. Plaintiff incorporates by reference and realleges each allegation set forth  
8 above.

9 157. California Labor Code § 1050, *et seq.*, makes it unlawful for any person,  
10 or agent or officer thereof, who, after having discharged an employee from the  
11 service of such person or after an employee has voluntarily left such service, by any  
12 misrepresentation prevents or attempts to prevent the former employee from  
13 obtaining employment.

14 158. California Labor Code § 1054 creates a private right of action by a  
15 former employee who is damaged pursuant to section 1050 to recover treble  
16 damages against the former employer. Cal. Code Civ. Proc. § 1054 (“[A]ny person  
17 or agent or officer thereof, who violates any provision of sections 1050 to 1052,  
18 inclusive, is liable to the party aggrieved, in a civil action, for treble damages.”).

19 159. While employed at defendant Snap Inc., plaintiff complained to his  
20 superiors about Snap Inc.’s repeated false representations to advertisers, to investors,  
21 and to the public concerning its KPIs.

22 160. As a result, defendant Snap Inc. terminated plaintiff on September 18,  
23 2015, a mere three weeks after he started working for Snapchat.

24 161. After his termination, plaintiff was being recruited by a social media  
25 company to fill a high level executive position with the company. In addition,  
26 plaintiff was presented with a number of other business opportunities in the social  
27 media industry.  
28





- b. A preliminary and permanent mandatory injunction against all defendants restoring plaintiff to the position of Growth Lead at Snapchat, according to the terms of the contract providing therefor, including the RSUs previously awarded to him
- c. Awarding plaintiff compensatory damages in an amount to be determined at trial but believed to be not less than \$10 million;
- d. Awarding plaintiff special damages according to proof, including but not limited to his loss of earnings and Facebook stock and stock options, subject to doubling pursuant to Labor Code § 972;
- e. Awarding plaintiff reinstatement with back pay and back benefits for all violations of California Labor Code § 1102.5, pursuant to California Labor Code § 98.6 and actual damages for loss of income, loss of benefits, loss of use, for emotional distress, and for the injury and damage that defendant has caused to plaintiff's name and reputation, pursuant to California Labor Code § 1105;
- f. Awarding plaintiff treble damages pursuant to California Labor Code § 1054;
- g. Awarding plaintiff double back pay damages for all violations of the Sarbanes–Oxley Act;
- h. Awarding plaintiff prejudgment and postjudgment interest on such damages;
- i. Awarding plaintiff the costs of this action;
- j. Awarding plaintiff attorney's fees;
- k. Awarding plaintiff punitive damages in an amount to be determined at trial;
- l. Awarding plaintiff injunctive relief, as the Court may deem proper; and
- m. Awarding plaintiff such other and further relief as the Court deems just and proper.

**DEMAND FOR JURY TRIAL**

Pursuant to Rule 38(b) of the Federal Rules of Civil Procedure, plaintiff Anthony Pompliano hereby demands a trial by jury in this action of all issues so triable.

Dated: May 16, 2017

Respectfully submitted,

**Pierce Sergenian LLP**

By: /s/David A. Sergenian

David A. Sergenian

Attorneys for plaintiff